

## CHAPTER 432

## (House Bill 1099)

AN ACT concerning

**Consumer Credit – Bad Check Fee**

FOR the purpose of increasing a certain fee that may be charged by certain holders, lenders, or credit grantors if a certain payment is made with a check that is dishonored on the second presentment.

BY repealing and reenacting, with amendments,

Article – Commercial Law

~~Section 12-614 and 12-910~~ Section 12-307, 12-614, 12-910, and 12-1008

Annotated Code of Maryland

(1990 Replacement Volume and 1990 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Commercial Law**

12-307.

(a) At the time a loan is made, a lender may collect from the borrower:

(1) As to any item of the total property that secures a loan:

(i) The fees paid to a public official or governmental agency for recording or satisfying a mortgage, encumbrance, or lien on any property securing the loan; or

(ii) An equal or lesser amount for nonfiling insurance premium on any property, or portion of the property, that is not recorded if:

1. The Insurance Commissioner approves the rates; and

2. A commission is not paid on the policy; and

(2) The title insurance premiums or reasonable attorney's fees paid for searching and insuring the title to any real property securing the loan.

(b) A lender may collect from the borrower a fee not exceeding [\$10] \$15 if payment is made with a check that is dishonored on the second presentment.